

FISCAL NOTE

Bill #: HB0640

Title: Revise requirements for state IT contracts

Primary Sponsor: Jacobson, H

Status: As Introduced - Revised

Sponsor signature	Date	David Ewer, Budget Director	Date
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Fiscal Summary

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
Expenditures:		
General Fund	\$82,528	\$59,828
Revenue:		
General Fund	\$25,700	\$6,000
Net Impact on General Fund Balance:	(\$56,828)	(\$53,828)

- | | |
|-----------------------------------------------------------|------------------------------------------------------------------|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

Department of Administration

1. An additional general fund FTE will be required to fulfill the requirements of the bill as follows:
 - a. Establish and maintain an inventory of Montana information technology vendors;
 - b. Determine residency status of Montana information technology workers and companies;
 - c. Determine if exceptions to 25 percent requirement should be waived;
 - d. Respond to complaints, protests and lawsuits;
 - e. Write administrative rules to implement law; and
 - f. Prepare and present report to Information Technology Board.
2. Initial one-time costs of development of the inventory database with internet service would be \$19,700. Costs for database hosting and internet service maintenance would be \$6,000 per year.
3. Costs for the creation and maintenance of the inventory would be paid for by the information technology companies using the inventory database as directed in Section 3 via the general fund. Assuming that 100 Montana companies use the database, the initial sign up cost would be \$257, followed by an annual fee of \$60. general funded. However, an unknown amount of the costs of the inventory will be collected from the Montana IT companies using the inventory as directed in Section 3. These revenues would be deposited in the general fund. Assuming that 100 Montana companies use the database, the initial sign up cost for the companies would be \$257, followed by an annual fee of \$60.

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(continued)

4. All costs associated with the adoption of administrative rules and responding to protest and contested case hearings would be absorbed by the department.

FISCAL IMPACT:

	<u>FY 2006</u> <u>Difference</u>	<u>FY 2007</u> <u>Difference</u>
FTE	1.00	1.00
<u>Expenditures:</u>		
Personal Services	\$49,413	\$49,413
Operating Expenses	<u>33,115</u>	<u>10,415</u>
TOTAL	\$82,528	\$59,828
<u>Funding of Expenditures:</u>		
General Fund (01)	\$82,528	\$59,828
<u>Revenues:</u>		
General Fund (01)	\$25,700	\$6,000
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
General Fund (01)	(\$56,828)	(\$53,828)